

Message Text

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ACTION NEA-10

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R 271209Z SEP 76

FM AMCONSUL SHIRAZ

TO SECSTATE WASHDC 052

INFO AMEMBASSY ABU DHABI

AMEMBASSY DOHA

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY MANAMA

AMEMBASSY MUSCAT

AMCONSUL DHAHRAN

COMIDEASTFOR

DEPARTMENT OF COMMERCE WASHDC

DEPARTMENT OF AGRICULTURE WASHDC

C O N F I D E N T I A L SHIRAZ 0063

EO 11652: GDS

TAGS: ETRN, ECON, IR

SUB: PORT CONGESTION IN KHORRAMSHAHR AND BANDAR SHAHPUR

SUMMARY: TWO OF IRAN'S MOST IMPORTANT PORTS CONTINUE TO
BE PLAGUED WITH PROBLEMS. THE RAID AND ROAD INFRASTRUCTURE
LEADING OUT OF THEM IS INADEQUATE. END SUMMARY

1. DESPITE OFFICIAL CLAIMS TO THE CONTRARY, THE SITUA-
TION IN IRAN'S PRIMARY PORT FOR GENERAL CARGO, KHORRAMSHAHR,
DOES NOT APPEAR TO HAVE IMPROVED AT ALL IN THE LAST NINE MONTHS.
SHIP TURN-AROUND TIME HAS BEEN REDUCED (TO 30 TO 35 DAYS FOR
VESSELS OF THE VARIOUS SHIPPING CONFERENCES, ACCORDING TO THE
LOCAL REPRESENTATIVE OF HANSA LINES), BUT THE IMPROVEMENT IS MORE
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BUREAUCRATIC LEGERDEMAIN THAN SOLID ACCOMPLISHMENT. THE PRIMARY

TECHNIQUES HAVE BEEN TO GIVE PRIORITY TO CONFERENCE VESSELS, THEREBY FORCING AT LEAST SOME OF THE NON- CONFERENCE SHIPS TO GIVE UP AND GO ELSEWHERE, AND TO PROHIBIT VESSELS WHICH HAVE REGISTERED FOR KHORRAMSHAHR FROM VISITING OTHER PERSIAN GULF PORTS WITHOUT LOSING THEIR PLACE IN LINE.

2. SOME INCREASE IN THE AMOUNT OF CARGO BEING OFFLOADED HAS BEEN ACHIEVED, BUT THE LEVEL IS NOWHERE NEAR THE GOAL OF 20,000 TONS PER DAY PROCLAIMED LAST DECEMBER. THE DAILY AVERAGE SEEMS TO BE ABOUT 12,000 TONS. EVEN THAT, HOWEVER, IS MORE THAN CAN BE CLEARED AND DISPATCHED. THE PORT AREA, WITH A CAPACITY OF 500,000 TO 600,000 TONS, IS PRESENTLY CLOGGED WITH 1,150,000 TONS OF CARGO, AND 5,000 TONS PER DAY IS BEING ADDED TO THE TOTAL. ABOUT 300,000 TONS ARE "DEAD" CARGO--UNCLAIMED BY CONSIGNEES AND NOT SALEABLE AT AUCTION--WHICH IRANIAN CUSTOMS OFFICIALS INSIST BE HELD IN THE PORT AREA.

3. BANDAR SHAHPUR IS IRAN'S MAIN BULK CARGO PORT. SEVENTY-FIVE TO 80 PERCENT OF THE TONNAGE ARRIVING THERE IS COMMODITIES PURCHASED BY THE GOVERNMENT OF IRAN, A SITUATION WHICH ALLOWS FOR WAIVER OF CUSTOMS CLEARANCE. PORT AUTHORITIES ESTIMATE MORE THAN 80 PER CENT OF THE 10,000 TO 12,000 TONS OFFLOADED AT BANDAR SHAHPUR EACH DAY CLEARS THE PORT AREA ALMOST IMMEDIATELY. THE PORT'S MOST PRESSING PROBLEM IS THE LACK OF SUFFICIENT DOCKING FACILITIES. TURN-AROUND TIME IS 40 DAYS TO MORE THAN FOUR MONTHS, DEPENDING ON WHETHER A VESSEL CAN BE OFFLOADED ONTO BARGES OR REQUIRES A BERTH. THE PORT AUTHORITY HAS UNDERWAY A PROJECT TO BUILD 28 ADDITIONAL BERTHS OVER THE NEXT TWO AND A HALF YEARS, BUT IT REMAINS TO BE SEEN WHETHER OR NOT THIS SCHEDULE HOLDS.

4. AN INADEQUATE ROAD AND RAIL INFRASTRUCTURE ALSO POSES A SEVERE BOTTLENECK IN THE DISTRIBUTION SYSTEM FROM FOREIGN SUPPLIER TO IRANIAN CONSUMER. LACK OF TRUCKS, OR, MORE PROPERLY, TRUCK DRIVERS, IS AN IMPORTANT ASPECT OF KHORRAMSHAHR'S INABILITY TO DISPATCH MORE THAN 7,000 TONS PER DAY FROM THE PORT. EVEN IF IT WERE POSSIBLE TO FIND MORE DRIVERS, HOWEVER, THE ROAD SYSTEM IS ALREADY NEARING CAPACITY. IN FACT, THE MAIN ROUTE OUT OF BANDAR SHAHPUR HAS ALREADY BEEN SEVERELY DAMAGED BY HEAVY TRUCK TRAFFIC, AND AT THE MOMENT LENGTHY STRETCHES ARE NEARLY IMPASSABLE.

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5. LESS THAN TEN PER CENT OF THE GOODS LEAVING THE TWO PORTS GOES BY RAIL. THEORETICALLY, RAIL TRAFFIC COULD BE INCREASED SUBSTANTIALLY, BUT MORE ROLLING STOCK THAN IS NOW AVAILABLE WOULD BE REQUIRED. MOREOVER, IT IS DOUBTFUL THAT THE BADLY DETERIORATED RAILROAD BED COULD HANDLE HEAVIER TRAFFIC WITHOUT PRIOR MAJOR REPAIRS.

6. A SOLUTION TO IRAN'S INABILITY TO EXPEDITIOUSLY RECEIVE AND

DISTRIBUTE ITS HEAVY VOLUME OF IMPORTS REMAINS FAR IN THE
FUTURB. UNFORTUNATELY, THE LEADERSHIP, INTER1AGENCY COORDINATION,
AND WILLINGNESS TO ENGAGE IN PLAIN, OLD-FASHIONED HARD WORK, WHICH
WILL BE NEEDED TO EFFECT THE REQUIRED PROGRAMS, AT THE MOMENT ARE
NOT MUCH IN EVIDENCE.

7. DETAILED AIRGRAM FOLLOWS.

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